



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

April 1, 2004

John Fisher, Director
National External Audit Office
U.S. Department of Health and Human Services, OIG
Lucas Place
323 West 8th Street, Room 514
Kansas City, MO 64105

Dear Mr. Fisher:

We are pleased to submit the seventeenth single audit and related reporting package for the state of Washington covering the Fiscal Year ended June 30, 2003.

This audit and related report package complies with the state's audit requirements, including those placed upon the state as a condition of its spending over \$10.1 billion in federal awards. The audit meets the requirements of the Revised Code of Washington (RCW) 43.09.310 and Title 31, Chapter 75, United States Code, as amended by the Single Audit Act Amendments of 1996, and Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, issued by the U.S. Office of Management and Budget.

This document contains the following reports and schedules:

- Independent Auditor's Report on the Basic Financial Statements
- The state's Basic Financial Statements with Related Notes
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with Circular A-133
- Schedule of Findings and Questioned Costs
- Schedule of Expenditures of Federal Awards with Related Notes (Includes Supplementary Schedules)
- 2003 Corrective Action Plan
- Summary Schedule of Prior Audit Findings for Years Prior to Fiscal Year 2003

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Preparation of the Schedule of Expenditures of Federal Awards continues to be hindered by federal funding agencies, and in particular pass-through agencies, failing to disclose appropriate Catalog of Federal Domestic Assistance (CFDA) numbers for awards to agencies and institutions of the state. The state's Basic Financial Statements are reproduced in this report, but the complete Comprehensive Annual Financial Report is available on-line at <http://www.ofm.wa.gov/cafr/2003/cafr03toc.htm>.

We greatly appreciate the assistance of the Office of the Washington State Auditor, U.S. Department of Health and Human Services, and other state and federal agencies in resolving single audit issues.

Sincerely,

A handwritten signature in black ink that reads "Marty Brown". The signature is written in a cursive, flowing style.

Marty Brown
Director

cc: The Honorable Gary Locke, Governor
Honorable Members of the Washington State Legislature